ADVISORY

Secton 203(e) An offer to not more than fifty persons during a period of twelve consecutive months if no sales result from such offer or if sales resulting from such offer are exempt by reason of subsection (d) hereof. This subsection shall not be applicable to offers made pursuant to any other subsection of this Section 203, except subsections (d) and (f).

Section 203(f) Any offer or sale of a preorganization subscription or securities of a newly-formed person as part of its initial capitalization to not more than five persons.

With respect to the exemption contained in Section 203(d) a NOTICE MUST BE FILED WITH THE COMMISSION no later than the day on which the securities are first issued or the issuer first receives consideration from any person therefor, whichever is earlier. The Commission's Form 203-D must be utilized in connection with this filing. There is no filing requirement with respect to the 203(e) and 203(f) exemption. Offers and sales of securities in reliance upon these exemptions must be made in conformity with all the provisions of these sections, the regulations relating to these sections and likewise with respect to the provisions of Section 207(m) (relating to notice to the purchasers of a forty-eight hour right of withdrawal), Section 209 (relating to record keeping requirements) and Section 606(a) (relating to distribution of financial information to shareholders) and regulations promulgated under these Sections.

Unless the securities are offered and sold in reliance upon these exemptions or any other exemption contained in Section 202 or 203 of the 1972 Act, a registration filing must be made pursuant to Section 206 of the 1972 Act on Commission's Form 206. Regulation A and federally registered offerings may be registered under Section 205 of the 1972 Act.

In connection with any offer and sale of securities you are advised of the requirements of Section 401 of the 1972 Act relating to fraudulent and prohibited practices. In connection with any offer and sale of securities Section 401(b) requires that each offeree be **informed of every material fact with respect to the purchase he is being induced to make.**

It is **unlawful** for any person in connection with the offer and sale of securities in this Commonwealth to violate the provisions of these Sections of the 1972 Act described above.

This Advisory is only a brief outline with respect to the provisions of the 1972 Act. Persons seeking to offer and sell securities in this Commonwealth should consult and review the 1972 Act itself before proceeding. If there are any questions with respect to matters relating to the offer and sale of securities in this Commonwealth, please address all questions to the following:

Director
Division of Corporation Finance
Pennsylvania Securities Commission
Room 471, Education Building
Harrisburg, PA 17120
Tel. No. (717) 787-5401